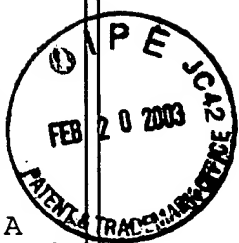


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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of) **BEFORE THE BOARD OF PATENT**
James P. LEISTENSNIER et al.) **APPEALS AND INTERFERENCES**
Serial No. 09/373,786) Appeal No.:
Filed: August 13, 1999) Examiner: Jeffrey C. Pwu
For: METHOD AND SYSTEM FOR) Group Art Unit: 3624
CREATING A PORTFOLIO) February 20, 2003
OF STOCK EQUITIES BASED)
ON MARKET CAPITALIZATION)

REPLY BRIEF

Assistant Commissioner for Patents
Washington, D.C. 20231

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GROUP 3600

Dear Sir:

This is a reply under 37 CFR § 1.193(b) to the Examiner's
Answer mailed December 20, 2002.

The Examiner's Answer has failed to rebut any of Appellant's
arguments in the appeal brief filed July 29, 2002; consequently,
the Examiner's Answer has failed to establish the propriety of
the various grounds of rejection, and those rejections should be
reversed.

As explained previously in the Appeal Brief, the Examiner
has confused the S&P Compustat Database of stocks with the S&P
500 index. The Examiner's Answer perpetuates this confusion.

See page 8, where the Answer refers to "S&P Compustat/S&P 500" as if the Compustat Database and the S&P 500 index were a single entity; see also page 11, where the Answer erroneously equates the S&P Compustat Database with the S&P 500 stock index . The S&P 500 is an index of 500 selected stocks, while the Compustat Database is simply a database of active stocks. Because O'Shaughnessy unequivocally fails to disclose the use of the S&P 500 Index, O'Shaughnessy cannot anticipate any of the claims as a matter of law.

The Examiner's Answer further fails to rebut Appellants' argument that O'Shaughnessy fails to disclose the claimed steps of sorting an index list by market capitalization, selecting lowest market capitalization among a predetermined number of stocks in the sorted list as a predetermined cutoff value, and then sorting the list by sales and comparing each successive stock having the highest sales in the list with the predetermined value to determine acceptable stocks for inclusion in the portfolio. Instead, the Examiner's Answer simply repeats the citation to "col. 11, line 18-col. 12, line 67," and continues to allege that O'Shaughnessy therein "discloses this step." Appellant has read and re-read the cited passage of O'Shaughnessy countless times and has re-read it yet again in preparation of this reply brief, and remains at a loss as to how the Examiner

interprets this passage to correspond to the claimed steps as set forth in claim 1.

At page 9, the Examiner's Answer alleges that O'Shaughnessy teaches the use of the Morningstar database and that the Morningstar database "includes both the broad based index (Standard & Poor's 500 Index) and the narrower based stock index (Dow Jones Industrial Average." To the contrary, the Morningstar database is a database of active stocks; it is not a stock index and does not "include" any stock indices. The Examiner has failed to produce or point to any evidence of record to support the assertion that Morningstar includes the S&P 500 and the DJIA.

The Examiner's Answer states that the MPEP does not prohibit the Examiner from citing to the "Summary of the Invention" section of a patent in a rejection. While this statement may be true, it is not germane to Appellant's argument. Rather, Appellant's point is that where a prior art reference contains a detailed description of an embodiment of the invention, and a generalized summary of the invention that contains broad summary language intended to encapsulate the detailed description of the disclosure, it is improper to rely on the broad language of the summary of the invention in lieu of attempting to correlate the claim language with the actual detailed explanation of the invention. In determining whether a prior art reference

discloses a claimed invention, an analysis of the prior art must focus on what the prior art teaches to those skilled in the art, and not on the breadth of terminology used in the reference. See Kalman v. Kimberly-Clark Corp., 713 F.2d 760, 218 USPQ 781 (Fed. Cir. 1983).

Finally, the Examiner's Answer is in error in alleging that the features of the invention in Appellants' arguments are not recited in the claims. In particular, the use of a broad based stock index as a starting pool of potentially acceptable stocks is in fact what is recited in the first three steps of claim 1.

Conclusion

For the foregoing reasons and the reasons set forth in the main brief on appeal, the rejection of claims 1-9 is not well founded, and should be reversed. Reversal of all grounds of rejection and passage of this application to issue are earnestly requested.

Please charge any fee or credit any overpayment pursuant to 37 CFR 1.16 or 1.17 to Deposit Account No. 02-2135.

Respectfully submitted,

ROTHWELL, FIGG, ERNST & MANBECK, p.c.

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